

## Senate Bill No. 2023

### CHAPTER 784

An act to amend, repeal, and add Section 33128 of the Education Code, relating to school finance.

[Approved by Governor September 22, 1998. Filed  
with Secretary of State September 23, 1998.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 2023, Alpert. School finance: general reserves.

Existing law requires the Superintendent of Public Instruction, the Controller, and the Director of Finance to develop, before March 1, 1989, standards and criteria to be reviewed and adopted by the State Board of Education, and to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. Existing law requires the standards and criteria to include comparisons and reviews of reserves and fund balances.

This bill would, until July 1, 2003, prohibit the State Board of Education from adopting standards and criteria for a budget reserve for economic uncertainties in excess of 1% of a school district's total expenditures, transfers out, and other uses, as defined, for a school district that has an average daily attendance greater than 125,000 and where the school district has, by an affirmative vote of its governing board, agreed to a budget reserve of 1%.

*The people of the State of California do enact as follows:*

SECTION 1. Section 33128 of the Education Code is amended to read:

33128. (a) The standards and criteria to be adopted by the State Board of Education pursuant to Section 33127 shall include, but not be limited to, comparisons and reviews of the following:

- (1) Average daily attendance.
- (2) Revenues and expenditures.
- (3) Reserves and fund balance.
- (4) Multiyear commitments.

(b) Notwithstanding paragraph (3), the State Board of Education shall not adopt standards and criteria for a budget reserve for economic uncertainties in excess of 1 percent of a school district's total expenditures, transfers out, and other uses of the school district for a school district that has an average daily attendance greater than 125,000 and where the school district has, by an affirmative vote of its governing board, agreed to a budget reserve of 1 percent. For the

purposes of this paragraph, “transfers out” and “other uses” of the school district shall have the same meaning as set forth in the California School Accounting Manual.

(c) This section shall become inoperative on July 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 33128 is added to the Education Code, to read:

33128. (a) The standards and criteria to be adopted by the State Board of Education pursuant to Section 33127 shall include, but not be limited to, comparisons and reviews of the following:

- (1) Average daily attendance.
  - (2) Revenues and expenditures.
  - (3) Reserves and fund balance.
  - (4) Multi-year commitments.
- (b) This section shall become operative on July 1, 2003.

